

Message Text

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FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL NAHA

AMEMBASSY MOSCOW

INFO CINCPAC HONO HI

COGARD

GOVGUAM

TREASURY

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

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SUBJECT: FEBRUARY 5 EA PRESS SUMMARY

1. JAPAN

CHURCH SUB-CMTE RELEASED DOCUMENTS WEDNESDAY, THAT SHOW LOCKHEED PAID SEVEN MILLION DOLS TO YOSHIO KODAMA, JAILED AFTER WW II AS WAR-CRIMINAL (CSM; NBC-TV NEWS 2/4). DURING HEARING, TWO SENATORS "INSINUATED" LOCKHEED TRIED ENCOURAGE JAPAN'S REARMAMENT, BESIDES PROMOTING AIRCRAFT SALES (WSJ).

CHURCH LABELED PAYMENTS "BRIBES," SAID 'MOST DISTURBING FACT' SUB-CMTE FOUND IS THAT LOCKHEED EMPLOYING KODAMA AS 'SECRET AGENT.' CALLED HIM "PROMINENT LEADER OF THE UNCLASSIFIED

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ULTRA-RIGHT WING MILITARIST POLITICAL FACTION IN JAPAN"; ADDED, MUST MAKE UP MINDS WHETHER WE WILL HAVE US OR CORPORATE FOREIGN POLICY (SUN).

SUB-CMTE DOCUMENTS SHOW LOCKHEED PAID KODAMA SEVEN MILLION DOLS SINCE 1968. ALSO PAID MARUBENI-IIDA TRADING CO 3.2 MILLION DOLS FOR REPRESENTATION, AND PR FIRM CALLED I-D CORP 2.1 DOLS IN 1973, 1975 (AP, PHINQ).

WM FINDLEY, OF LOCKHEED AUDITOR ARTHUR YOUNG CO, TESTIFIED WAS TOLD FIRM'S PRES, A.C. KOTCHIAN, PRINCIPAL OFFICER INVOLVED IN AUTHORIZING PAYMENTS. SAID FIRM'S AGREEMENT WITH KODAMA DATES FROM 1958 OR 1959; COMPANY BOOKS DO NOT SHOW WHO "ULTIMATELY" GOT MONEY PASSED TO KODAMA (PHINQ). SAID PAYMENTS SO HEAVY AT TIMES, MONEY SHIPPED IN PACKING CASES. DOCUMENTS INCLUDE RECEIPT SIGNED BY KODAMA FOR 125 MILLION YEN RECEIVED NOV 2, 1972 (337,837 DOLS) (CHITRIB).

SUB-CMTE PRODUCED RECEIPT SIGNED BY HIROSHI ITOH, DATED AUG 9, 1973, FOR '100 PEANUTS,' WHICH FINDLEY SAID MEANS 100,000 DOLS, USED TO PAY GOJ AND AIRLINE OFFICIALS TO HELP WIN CONTRACTS FOR LOCKHEED (REUTER WASHINGTON).

STERN (P) SAYS PAYMENTS TO KODAMA HELPED CLINCH 130 MILLION DOLS SALE OF LOCKHEED TRI-STAR JUMBO JETS TO DOMESTIC AIRLINE, ALL JAPAN AIRWAYS. NOTES 'HIGHLY INFLUENTIAL BEHIND-THE-SCENES' POLITICAL, BUSINESS BROKER KODAMA PLAYED ROLE IN NAMING SEVERAL POST-WAR PREMIERS CITES FINDLEY TESTIMONY THAT LOCKHEED, FACED WITH INTENSE COMPETITION FROM MCDONNELL DOUGLAS, FELT 'BEST AVAILABLE AID' IN GETTING ORDER WAS KODAMA (A0RIDGED IN GLOBE).

LANDAUER (WSJ) COVERS ABOVE. NOTES KOTCHIAN "SAT GLUMLY AS SPECTATOR,' WILL TESTIFY FRIDAY. CITES FINDLEY TESTIMONY THAT KODAMA HELPED LOCKHEED SELL F-104 TO JASDF IN 1960S, BUT "HEFTIEST" PAYMENTS (INCLUDING 909,000 DOLS AT ONE TIME) MADE IN 1972, 1973, APPARENTLY 0Y MARKETING DEVELOPMENT DIRECTOR JOHN CLUTTER, ALSO CALLED TO TESTIFY FRIDAY. FINDLEY ALSO SAID WAS TOLD UNCLASSIFIED

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BY LOCKHEED EXECS THAT I-D CORP USED SOME OF MONEY RECEIVED TO INFLUENCE GOJ AND AIRLINE OFFICIALS.

PERCY (ILL) EXPRESSED 'SHOCK' THAT LOCKHEED 'CONSORTED' WITH 'MOST MILITARISTIC, RIGHT-WING ELEMENTS IN JAPAN.' SAID SUCH ACTION 'THREATENS' US NATL SECURITY. STATED CAN'T HAVE DEFENSE PRIORITIES OF OUR ALLIES "PERVERTED" BY CORRUPT PRACTISES OF US CORPS (LANDAUER; NBC-TV NEWS 2/4).

NEWS SUB-CMTE HEARING REVELATIONS TOUCHED OFF POLITICAL STORM IN JAPAN THURSDAY. JSP FORMED CMTE TO INVESTIGATE, VOWED TACKLE GOJ IN DIET FRIDAY (REUTER TOKYO).

SMITH (NYT) SAYS DOCUMENTS RELEASED BY SUB-CMTE SHOW CORPORATE PATTERN OF INFLUENCE-BUYING IN FE, ME, WEUR. NOTES SUB-CMTE WAS "ACCIDENTAL RECIPIENT" OF LOCKHEED

CIVILIAN SALES DOCUMENTS, WHICH WERE MIXED IN WITH MIL SALES PAPERS SUPPLIED BY AUDITORS. SAYS SENATORS DIVIDED ON HOW VIGOROUSLY PROCEED, WHAT MAKE PUBLIC.

NYT PROFILES KODAMA. SAYS HE HELPED FOUND LDP, HAD HAND IN NAMING SEVERAL PREMIERS, HELPS SETTLE DISPUTES AMONG BUSINESSMEN, COMMANDS LOYALTY OF RIGHT WING, INFLUENTIAL IN UNDERWORLD. JAILED AS WAR-CRIMINAL AFTER WW II, BUT NEVER TRIED.

DOLLAR FELL TO FOUR-MONTH LOW OF 301.35 YEN IN JAPAN WEDNESDAY, DESPITE EARLY BANK OF JAPAN INTERVENTION (WP; UPI, NYT). SALE OF DOLLARS IN FAVOR OF YEN CONTINUED LATER IN DAY IN EUR, NYC (WSJ). BOJ WITHDREW FROM FOREX MART BEFORE LUNCH WEDNESDAY, AFTER BUYING ESTIMATED 200 MILLION DOLS IN HEAVY TRADING DURING FIRST FEW HOURS OF TRADING (JOC, TOKYO).

IN SEN FINANCE CMTE WEDNESDAY, US STEELMAKERS CRITICIZED ADMIN FAILURE PROTEST AGREEMENT BY JAPANESE STEELMAKERS TO CUT BACK EC SHIPMENTS. USS'S LARRY INSISTED VIOLATES INTL TRADE RULES. WM EBERLE SCORED ADMIN FOR NEGOTIATING INTL CODE OF CONDUCT FOR MULTINATLS, WITHOUT WINNING UNCLASSIFIED

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CONCESSIONS FROM ASIA, AFRICA, LATINA AMERICA.

2. INDOCHINA

PP ANNOUNCES WILL HOLD ELECTIONS MARCH 20 (UPI, NYDN) TO CHOOSE 250-MEMBER ASSEMBLY (WP). ANNOUNCEMENT BY PP RADIO SOMEWHAT SURPRISING, SEEMS INDICATE CAMBODIA CONSOLIDATING LEADERSHIP MORE QUICKLY THAN VN, LAOS, WHERE ELECTIONS SCHEDULED APRIL. NEWS CAME FROM INFO MINISTER HU NIN, BELIEVED CENTRAL FIGURE IN NEW GOVT (ANDELMAN, NYT; ABRIDGED IN SUN). CITES ONE WESTERN DIPLOMAT WHO WONDERS WHAT REAL POWER ASSEMBLY WILL HAVE (ANDELMAN).

PRC SENDS LAOS 150 TRUCKS, 8000 BICYCLES, 10,000 TONS RICE, 3000 TONS CEMENT; ALSO, SEWING MACHINES, CLOTH, MEDICINE, FOOD, ACCORDING CHINESE AMB TO VIENTIANE (AFP, NYT).

THAI PAPER QUOTES REFUGEES THAT 800 RIGHT-WING LAOTIANS AT RE-EDUCATION CAMP KILLED GUARDS, OVERRUN PL

BARRACKS AT SAVANNAKHET FRIDAY, AND PL TROOPS WERE MASSING NORTH OF TOWN, APPARENTLY TO MOVE AGAINST REBELS (REUTER BANGKOK).

3. MALAYSIA

PALM OIL CONFERENCE TO BE HELD JUNE (JOC).

4. SINGAPORE

IMPORT, EXPORT RESTRICTIONS LIFTED ON ALL FOREIGN CURRENCIES; WILL ENABLE RESIDENTS INVEST FREELY IN AREA COUNTRIES, AND IN SECURITIES, PROPERTIES OUTSIDE PREVIOUS LIMITS (WP).

5. CHINA

NYT REPORTS TWO DIFFERING TV NETWORK VERSIONS OF PRC ARCHEOLOGICAL DISCOVERIES SHOW THAT RECENTLY TOURED UNCLASSIFIED

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US MUSEUMS WILL BE BROADCAST ON TWO CONSECUTIVE DAYS: "THE RED FLOWER AND THE GREEN HORSE," CBS NEWS SPECIAL, WILL APPEAR SUNDAY 10AM, AND "SIX HUNDRED MILLENNIA: CHINA'S HISTORY UNEARTHED" WILL BE BROADCAST BY PBS MONDAY 8 PM.

6. AUSTRALIA/NEW ZEALAND

AUSTRALIA SUFFERS RECORD BOP DEFICIT OF 902 MILLION DOLS FOR QTR ENDING DEC 75 (UPI, JOC). ANNOUNCES 6.9 MILLION DOL CUTBACK IN FOOD AID TO 38.6 MILLION DOLS IN 75-76, BUT NO REDUCTION P-NG AID (WP).

NZ ARMY HQ ANNOUNCED THURSDAY THAT ANZUS TROOPS, AIRCRAFT WILL HAVE JOINT EXERCISE NAMED "TRIAD" IN NZ, FROM FEB 23 - MARCH 6 (REUTER WELLINGTON).

7. PACIFIC ISLANDS

GEORGE MASON U'S PROF. DONALD SMITH (CSM) NOTES CAROLINES, MARSHALLS TAKE MAJOR STEP IN DECIDING FUTURE STATUS. CONVENTION ADOPTS DRAFT CONSTITUTION THAT WOULD GROUP THEM IN INDEPENDENT STATE TITLED, "FEDERATED STATES OF MICRONESIA," WITH REFERENDUM ON PROPOSED CONSTITUTION PROBABLY WITHIN YEAR. DRAFT CONSTITUTION PROVIDES PARLIAMENTARY GOVT SIMILAR TO US. FEDERATED STATES WOULD LAY CLAIM TO ALL WATERS CONNECTING ISLANDS, WOULD COVER VAST WATER REGION WITH POTENTIAL WEALTH.

8. GENERAL

US TREAS DEPT ANNOUNCES DUTIES ON SEVERAL ITEMS, INCLUDING FOOTWEAR FROM TAIWAN, NONRUBBER FOOTWEAR FROM SK, ON GROUNDS THESE NATIONS, OTHERS, SUBSIDIZING EXPORTS OF PRODUCTS INVOLVED (AP, CHITRIB).

COMMENT AND ANALYSIS

9. CHINA

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AFP (PEKING) SAYS WEEKEND IN TIENTSIN IS ONLY WAY FOREIGNERS IN CAPITAL CAN, WITH MINIMUM OF FORMALITIES, BREAK MONOTONY OF LIFE IN CITY, TRAVEL BEYOND NORMAL 15-MILE LIMIT. PRC PERMISSION ALMOST ALWAYS GRANTED FOR TRIP; TIENTSIN HAS ATMOSPHERE LIKE THAT OF EUROPEAN CITY AT TURN OF CENTURY, ASTOR HOTEL HAS OUTDATED CHARM; TIENTSIN ITSELF IS WITNESS TO CHINESE COLONIAL PERIOD. CONTAINS 15 OR SO ANTIQUE/SECOND-HAND SHOPS, ZOO, ART MUSEUM (NYT).

JANEWAY (WSTAR FEB 4) SAYS WHILE US "STILL HUNG UP" TRYING DECIDE WHETHER BUY FRIENDSHIP OR SELL PROTECTION, PRC AND SOVIET ARE CONTINUING PURSUIT THEIR RESPECTIVE NATIONAL INTERESTS WITH GRIM SINGLE-MINDEDNESS. CONTENTS KREMLIN'S CALCULATION THAT MAKING OPEC STRONG POLITICALLY WILL KEEP US, JAPAN, EUROPE WEAK ECONOMICALLY IS MOST COMPELLING; AND ECON WARFARE SOVIET WAGES AGAINST PRC IS MOST FUNDAMENTAL. SEES PEKING PLAYING SAME GAME: CHOOSE UP SIDES, KNOW YOUR ENEMIES BY COMPANY THEY KEEP. BECAUSE OPEC IS SOVIET WARD, IT IS PEKING TARGET.

CONTENTDS SKILLS OF WAR CORRESPONDENT ARE NEEDED TO TRACK PRC ECON OPERATIONS; ITS FOREIGN TRADE TACTICS EXTEND MIL METHODS INTO REALM OF POLITICAL ECONOMY. ARGUES THAT IF US POLICYMAKERS CONTINUE BOUNCING BETWEEN DETENTE WITH SOVIET SUBMISSION TO OPEC "AND KOWTOWING TO CHINA (WITNESS MAO'S RECENT SNUB OF FORD AND KISSINGER IN PEKING)," OIL COST SQUEEZE WILL CONTINUE. FINDS JOHN CONNALLY "MUSCULAR IN HIS THINKING-- ESPECIALLY IN ANY TEST OF STRENGTH INVOLVING RUSSIA AND CHINA" -- IN URGING US HELP PRC DIVIDE OPEC AND SPLINTER SOVIET INFLUENCE OVER IT. MAINTAINS PEKING STRATEGISTS WILL WELCOME ANY HELP AGAINST SOVIET-OPEC ALLIANCE.

NYT CARRIES EXCERPT FROM FORTHCOMING MIT PROF MAZLISH BOOK, "THE REVOLUTIONARY ASCETIC: EVOLUTION OF A POLITICAL TYPE." MAZLISH CITES DICTUM THAT REVOLUTIONARY MOVEMENTS GENERALLY DEVELOP "MARKED PURITANICAL TENDENCIES," SEES MAO TSE-TUNG ILLUSTRATING POINT.

SAYS MAO, THROWING OFF ATTACHMENT TO FILIAL PIETY,
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JUSTIFIED FOR HIS FOLLOWERS RELEASE OF AGGRESSION
AGAINST PAST AUTHORITIES, BREAKING TIES TO CONFUCIANISM,
AND URGING "EMOTIONAL STORM BE PROVOKED." MAO ESPOUSED
PHYSICAL EDUCATION, TRAINING -- VERY UNCHARACTERISTIC
CHINESE TRAIT -- AND HIMSELF UNDERWENT SPARTAN RIGORS;
MAO APPARENTLY ABANDONED WIFE, CHILDREN TO CKS' KMT,
HARDENING HIS HEART TO ANY PAINFUL EMOTIONS INVOLVED.
SAYS MAO SEEMS TO HAVE BEEN VERY PASSIONATE MAN, HOWEVER,
GIVEN TO WENCHING, BUT PUBLICLY PORTRAYING HIMSELF AS
AUSTERE -- THUS SUGGESTING POLITICAL ADVANTAGES TO BE
GAINED FROM ASCETICISM. RECALLS IT WAS MAO WHO TAUGHT
RED GUARDS TO CHANT: "DEMOLITION BOMBS AND HAND GRENADES
WILL BE THROWN...LET WHAT IS CALLED 'HUMAN AFFECTION'...
GET OUT OF THE WAY."

10. KOREA

COMMISSIONER ALEXANDER SAID WEDNESDAY INFO ON MOON SECT
FROM SEN DOLE (KANS) "WILL BE CAREFULLY EVALUATED"
WHEN IRS REVIEWS TAX-EXEMPT STATUS OF UNIFICATION CHURCH
(AP, CHITRIB).

CENTER FOR CORPORATE RESPONSIBILITY, COALITION OF 25
PROTESTANT DENOMINATIONS, 27 RC ORDERS, DISCLOSED
WEDNESDAY HAS FILED STOCKHOLDER RESOLUTIONS DEMANDING 10 US

FIRMS HALT OVERSEAS POLITICAL CONTRIBUTIONS, BRIBES,
IN SK, AFRICA, CHILE. OWN TOTAL OF 70 MILLION DOLS
WORTH STOCK IN 22 FIRMS. MOTOROLA ASKED TO GIVE
DETAILS OF OPERATIONS IN SK, CONTROL DATA COMMENDED FOR
ASSURANCE WILL MAKE PUBLIC DETAILS OF BUSINESS CONDUCTED
IN SK (AP, SUN).

11. INDOCHINA

CSM NOTES GRIM PICTURES CAMBODIA LIFE PAINTED BY
REFUGEES. SEES GOVT'S AIM AS INCREASING AGRIC
PRODUCTION AT ALL COSTS, WITH LITTLE EFFORT
INFORM, WIN SUPPORT MASSES. POINTS OUT CONVENTIONAL
SCHOOLS NONEXISTENT, REPORTS OF MASS REPRISALS AGAINST
GKR OFFICIALS, SOLDIERS. SEES SOME ENCOURAGING SIGNS:
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EXECUTIONS SEEMED HAVE TAPERED OFF, HARVEST GOOD, REGIME
MANIFESTS MORE CENTRAL CONTROL. BELIEVES CAMBODIANS
MAY STILL HOPE FUTURE CAN PROVE LESS DREARY.

12 GENERAL

WM BUCKLEY (WSTAR 2/4) REVIEWS DOMINO THEORY. OPINES
INDOCHINA'S FALL CATAPULTS THAILAND INTO NEUTRALITY
THAT WILL PROBABLY LEAVE IT LOOKING SOMETHING LIKE
BURMA. SAYS MOST "REAL ESTATE" US DEFENDED BECAUSE

OF SYMBOLIC VALUE RATHER THAN IN DEFENSE OWN SOVEREIGNTY;
GIVES TAIWAN, SK, QUEMOY, MATSU AS EXAMPLES. SISCO

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